

CONSENT DECREE

Commencement Bay Nearshore/Tideflats Superfund Site

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03-CV-05107-MISC

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I. BACKGROUND

A. As a result of the release or threatened release of hazardous substances at or from the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington ("CB/NT Site"), the U.S. Environmental Protection Agency ("EPA") and other governmental and private entities have undertaken response actions at or in connection with the CB/NT Site under Section 104 and Section 106 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §§ 9604 and 9606, and will undertake response actions in the future. In performing these response actions, EPA and other governmental and private entities have incurred and will continue to incur Response Costs at or in connection with the CB/NT Site.

- B. On September 8, 1983, EPA placed the CB/NT Site on the National Priorities List pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605.
- C. Under a Cooperative Agreement with EPA, the Washington Department of Ecology (Ecology) conducted a Remedial Investigation and Feasibility Study (RI/FS) of the CB/NT Site. Within the Tideflats area of the CB/NT Site, the RI/FS evaluated the nature and extent of contamination in the Sitcum, Blair, Milwaukee, Hylebos, St. Paul, Middle, Thea Foss (formerly known as City), and Wheeler-Osgood Waterways. Pursuant to Section 117 of CERCLA, 42 U.S.C. § 9617, EPA published notice of completion of the Feasibility Study and of the proposed plan for remedial action for the CB/NT Site in February 1989.
- D. Because of the complexity of the CB/NT Site, Superfund response actions at the CB/NT Site are currently coordinated under seven operable units managed primarily by EPA and Ecology, including: (1) Operable Unit 01 - CB/NT Sediments; (2) Operable Unit 02 -ASARCO Tacoma Smelter; (3) Operable Unit 03 - Tacoma Tar Pits; (4) Operable Unit 04 -

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ASARCO Sediments; and (7) Operable Unit 07 - ASARCO demolition.

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ASARCO Off-Property; (5) Operable Unit 05 - CB/NT Sources; (6) Operable Unit 06 -

E. On September 30, 1989, EPA issued a Record of Decision (ROD) that selected the remedy for remediation of sediments, OU1, and sources of contamination, OU5. The ROD identified eight (8) problem areas within OU1 that required sediment cleanup. The eight problem areas were the Head and Mouth of the Hylebos Waterway, Sitcum Waterway, St. Paul Waterway, Middle Waterway, Head and Mouth of the Thea Foss Waterway (formerly City Waterway), and Wheeler-Osgood Waterway. Notice of the final plan was published in accordance with Section 117(b) of CERCLA.

- F. EPA determined in the ROD that there were five major elements of the selected remedy for the CB/NT Site sediments and sources that will be applied, as appropriate, to each problem area:
 - i. Site Use Restrictions To protect human health by limiting access to edible resources prior to and during implementation of source and sediment remedial activities.
 - ii. Source Control To be implemented to prevent recontamination of sediments.
 - iii. Natural Recovery Included as a preferred remediation strategy for marginally contaminated sediments that are predicted to achieve acceptable sediment quality through either biodegradation, or burial and mixing with naturally accumulating clean sediments within a ten (10) year period.
 - iv. Sediment Remedial Action To address sediments containing contamination that is not expected to naturally recover within 10 years. The ROD required active sediment cleanup using one of the following four technologies: in-place capping,

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remedial action.

dredging and confined aquatic disposal, dredging and nearshore disposal, or dredging and upland disposal. The disposal option is to be identified during design of the

- v. <u>Source and Sediment Monitoring</u> To refine cleanup volume estimates, characterize the effectiveness of source controls, and implement long-term monitoring of the remedial action(s) to ensure long-term protectiveness of the remedy.
- G. Under a State Cooperative Agreement, EPA and the Washington Department of Ecology agreed that Ecology would implement OU5 source control actions using state law authorities and EPA would stay in the lead for implementing the sediment cleanup, OU1.
- H. This Consent Decree involves settlement of claims for recovery of Response Costs associated with the Mouth and Head of the Hylebos Waterway Problem Areas. The ROD determined that natural recovery will not sufficiently reduce contaminant concentrations in some areas of the Mouth and Head of the Hylebos Waterway within the ten (10) year period, so the ROD required active sediment cleanup with one (1) of the four (4) technology options of the remedy.
- I. On November 29, 1993, six entities (collectively known as the Hylebos Cleanup Committee or "HCC") entered into an Administrative Order on Consent ("HCC AOC") with EPA for the preparation of, performance of, and reimbursement of oversight costs for Preremedial Design Activities for the Hylebos Waterway Problem Areas. The objectives of the HCC AOC were: (1) to perform pre-remedial design work for the Hylebos Waterway consistent with the ROD; (2) to perform analyses and studies needed by EPA to select a Remediation Plan, including an acceptable confined disposal site and any necessary mitigation which attains Sediment Quality Objectives identified in the ROD, and all applicable or

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relevant and appropriate requirements; and (3) provide for recovery by EPA of its response and oversight costs incurred with respect to the implementation of this Order. By letter dated November 8, 2001, EPA confirmed that all activities required by the HCC Order were performed, except remaining oversight billings, in accordance with Section XXVI of the HCC Order.

J. On August 3, 2000, EPA issued an Explanation of Significant Differences (ESD), in compliance with Section 117(c) of CERCLA, that explains differences in the Remedial Action that significantly change, but do not fundamentally alter, the remedy selected in the ROD. The ESD addressed cleanup plans for two waterways within the CB/NT Site, selected disposal sites for all remaining contaminated sediment to be dredged and confined from the CB/NT Site, provided additional performance standards, and documented other differences from the ROD. Based on the studies and analysis conducted under the HCC AOC with respect to the Hylebos Waterway, the ESD provides details for: the cleanup of the areal extent of sediment contamination in the Hylebos Waterway and the estimated volume of sediment that requires remediation; designation of areas that are projected to naturally recover within 10 years of remedial action; EPA's decision to dispose of contaminated sediments in Blair Slip 1 and an upland regional landfill; performance standards for mitigation for the Remedial Action; and the estimated cost of the Remedial Action at the Hylebos Waterway. Notice and public comment were taken on the ESD and notice of the final ESD was published in accordance with Section 117(c) of CERCLA.

K. Certain of the Settling Defendants and other parties entered into an allocation agreement which established a process by which a third-party, neutral allocator would determine shares of liability for all potentially responsible parties associated with the Hylebos

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Waterway Problem Areas. The allocator's report, titled "Hylebos Waterway-Allocator's Final	
Cost Allocation Formula Report, dated May 22, 2000 ("Allocator's Report"), assessed the	
Settling Defendants' and Settling Federal Agencies' share of Response Costs and formed a	
basis for this settlement. EPA independently reviewed the Allocator's Reports and other	
pertinent information, and, as to the Settling Defendants and Settling Federal Agencies only,	
accepts the allocator's numerical allocation for purposes of this settlement.	

L. The Settling Defendants do not admit any liability arising out of the transactions or occurrences alleged to have occurred in connection with the Hylebos Waterway Problem Areas within the CB/NT Site. The Settling Federal Agencies do not admit any liability arising out of the transactions or occurrences alleged in any counterclaim asserted by the Settling Defendants.

M. In a consent decree entered in the U.S. District Court for the Western District of Washington on May 28, 1997 in <u>United States</u>, et al. v. the <u>City of Tacoma and the Tacoma Public Utility</u>, Civil Action No. C97-5336 RJB, the City of Tacoma and Tacoma Public Utilities resolved their liability for damages for injury to natural resources under federal, state and tribal trusteeship resulting from the release of hazardous substances at the CB/NT Site.

N. The United States and Settling Defendants agree, and by entering this Consent Decree, this Court finds that settlement without further litigation and without the admission or adjudication of any issue of fact or law is in the public interest and is the most appropriate means of resolving this action with respect to Settling Defendants, and that this Consent Decree is fair, reasonable, and in the public interest.

THEREFORE, with the consent of the Parties to this Consent Decree, it is ORDERED, ADJUDGED, and DECREED:

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II. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. §§ 9607 and 9613(b), and also has personal jurisdiction over Settling Defendants. Settling Defendants consent to and shall not challenge the terms of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

III. PARTIES BOUND

2. This Consent Decree is binding upon and inures to the benefit of the United States and the Settling Defendants and their heirs, successors and assigns. Any change in ownership or corporate or other legal status of a Settling Defendant, including but not limited to, any transfer of assets or real or personal property shall in no way alter such Settling Defendant's responsibilities under this Consent Decree. This Consent Decree does not bind any person or State agency that is not a party to it.

IV. STATEMENT OF PURPOSE

- 3. By entering into this Consent Decree, the mutual objectives of the Parties are:
- a. to reach a final settlement among the Parties pursuant to Section 122 of CERCLA, 42 U.S.C. § 9622, by allowing Settling Defendants to make a cash payment, including a premium, to resolve their alleged civil liability under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607 for injunctive relief with regard to the Hylebos Waterway Problem Areas, and for Response Costs incurred and to be incurred at or in connection with the Hylebos Waterway Problem Areas, except the reimbursement claims for cost overruns reserved against Settling Defendants which pay a 50% premium and subject to the Reservation of Rights by the United States in Section XI; and to resolve the claims of the

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Settling Defendants which have been or could have been asserted against the United States with regard to this Site as provided in this Consent Decree, thereby reducing litigation relating to the Hylebos Waterway Problem Areas;

- b. to simplify any remaining administrative and judicial enforcement activities concerning the Hylebos Waterway Problem Areas by reducing the number of potentially responsible parties from further involvement at the Hylebos Waterway Problem Areas with respect to Response Costs; and
- c. to obtain settlement with Settling Defendants and Settling Federal Agencies for reimbursement of a portion of Response Costs incurred and to be incurred at or in connection with the Hylebos Waterway Problem Areas by the EPA Hazardous Substance Superfund and by private parties, and to provide for contribution protection for Settling Defendants and the United States with regard to the Response Costs, pursuant to Sections 113(f)(2) and 122 of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622, and as set forth in Paragraph 32 of this Consent Decree.

V. DEFINITIONS

- 4. Unless otherwise expressly provided herein, terms used in this Consent Decree that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in the statute or regulations. Whenever the terms listed below are used in this Consent Decree, the following definitions shall apply:
- a. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

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b. "Consent Decree" or "Decree" shall mean this Consent Decree and all
appendices attached hereto. In the event of conflict between this Consent Decree and any
appendix, the Consent Decree shall control.

- c. "Commencement Bay Nearshore/Tideflats Superfund Site" ("CB/NT Site") shall mean the entire Commencement Bay Nearshore/Tideflats Superfund Site and project area, including contaminated sediments and sources of contamination within the CB/NT Site, located in the City of Tacoma, Pierce County, Washington, and as defined in the CB/NT Record of Decision, dated September 30, 1989.
- d. "Day" shall mean a calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.
- e. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies, or instrumentalities.
- f. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.
- g. "Escrow Account" shall mean the interest-bearing private trust established by the Settling Defendants pursuant to this Consent Decree.
- h. "Hylebos Waterway Problem Areas" and/or "Site" shall mean all areas in which contaminated sediments are located, intertidal and subtidal, that require remedial action at and adjacent to the Mouth and the Head of the Hylebos Waterway, which are two of eight Problem Areas only within OU1 of the CB/NT Site. These Problem Areas are described in the CB/NT Site Record of Decision, dated September 30, 1989, and are more specifically delineated in the Figures 3A, 3B, and 3C in the August 3, 2000 ESD. These terms do not

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include Area 5106 which is specifically designated in an Action Memorandum dated July 6, 2001, and property which is the subject of OU5, which encompasses upland properties adjacent to the Hylebos Waterway that are past, present or future sources of hazardous substances to the Hylebos Waterway Problem Areas.

- i. "Hylebos Waterway Problem Areas Special Account" shall mean the special account established at the Site by EPA pursuant to Section 122(b)(3) of CERCLA, 42 U.S.C. §9622(b)(3), and created by the Consent Decree entered in <u>U.S. v. Bay Chemical</u> Company, et al, C99-5521 (RJB), by the U.S. District Court for the Western District of Washington on June 23, 2000.
- i. "Interest" shall mean interest at the current rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues.
- k. "Owner Settling Defendants" shall mean those parties identified in Appendix A as Owner Settling Defendants, or those Settling Defendants on Appendix A that may be identified during remedial design as a person who owns or controls a portion of the Hylebos Waterway Problem Areas or property on or at which response action will be taken or that is needed for the implementation of response action at the Site.
- 1. "Paragraph" shall mean a portion of this Consent Decree identified by an Arabic numeral or an upper or lower case letter.
 - m. "Parties" shall mean the United States and the Settling Defendants.
- n. "Section" shall mean a portion of this Consent Decree identified by a roman numeral.

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- o. "Settling Defendants" shall mean those persons, corporations, state or local government agencies, departments or instrumentalities or other entities listed in Appendix A, including Owner Settling Defendants..
- p. "Settling Federal Agencies" shall mean those departments, agencies, and instrumentalities of the United States identified in Appendix A, which are resolving any claims which have been or could be asserted against them with regard to this Site as provided in this Consent Decree.
- q. "Record of Decision" or "ROD" shall mean the EPA Record of Decision relating to the Site signed on September 30, 1989, by the Regional Administrator, EPA Region 10, all attachments thereto and incorporating all significant differences thereto documented in the ESD issued on July 28, 1997 and the ESD issued on August 3, 2000. The 2000 ESD may be referred to or discussed individually or separately from the 1989 ROD in this Consent Decree where appropriate.
- r. "Response Costs" shall mean all costs of "response" as that term is defined by Section 101(25) of CERCLA, 42 U.S.C. §9601(25), and incurred in connection to the Hylebos Waterway Problem Areas. Response Costs shall also include any CB/NT area-wide site costs billed to the CB/NT area-wide account that EPA may attribute or allocate to the Hylebos Waterway Problem Areas. Response Costs shall not include costs related to upland hazardous waste cleanups and/or source control which were incurred by any entity. The phrase "past Response Costs" shall mean all costs incurred through September 30, 2001, including interest thereon. The phrase "future Response Cost" shall mean all Response Costs other than past Response Costs.

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s. "United States" shall mean the United States of America, including all of its departments, agencies, and instrumentalities, which includes without limitation EPA, the Settling Federal Agencies and any federal natural resources trustee.

VI. PAYMENT

5. Payment.

- a. Within forty-five (45) days of entry of this Consent Decree, each Settling Defendant shall pay the amounts set forth for that Settling Defendant in Appendix B or C to this Consent Decree (the "Total Payment Amount") into the Escrow Account described in Paragraph 7 below.
- b. As soon as reasonably practicable after the effective date of this Consent Decree, the United States, on behalf of the Settling Federal Agencies, shall:
- i) Pay to the Escrow Account established under Paragraph 7 below, the Total Payment Amount provided in Appendix C to this Consent Decree, in reimbursement of past and future Response Costs which payment includes a premium payment for Future Response Costs.
- ii) If the payment to the escrow account required by this subparagraph is not made as soon as reasonably practicable, the Director or Deputy Director of the Environmental Cleanup Office may raise any issues relating to payment to the appropriate DOJ Assistant Section Chief for the Environmental Defense Section. In any event, if this payment is not made within 120 days after the effective date of this Consent Decree, EPA and DOJ have agreed to resolve the issue within 30 days in accordance with a letter agreement dated December 28, 1998.

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- 6. Each Settling Defendant's and Settling Federal Agency's payment includes an amount for:
- a. past Response Costs incurred at or in connection with the Hylebos Waterway Problem Areas; and
 - b. future Response Costs to be incurred at or in connection with the Site; and
 - either as follows:
- i) A one hundred percent (100%) premium to cover the risks and uncertainties associated with this settlement, including but not limited to, the risk that total Response Costs incurred or to be incurred in connection with the Hylebos Waterway Problem Areas, by any entity, will exceed the cost estimate for future Response Costs of \$56,056,407 million or exceed the amount other PRPs can contribute (Settling Defendants who have selected the 100% premium are listed in Appendix B); or
- ii) A fifty percent (50%) premium to cover the risks and uncertainties associated with this settlement, including but not limited to, the risk that total Response Costs incurred or to be incurred in connection with the Hylebos Waterway Problem Areas, by any entity, will exceed the cost estimate for future Response Costs of \$56,056,407 million or exceed the amount other PRPs can contribute (Settling Defendants who have selected the 50% premium and the United States on behalf of the Settling Federal Agencies are listed in Appendix C). EPA expressly reserves the right to recover further proportionate Response Costs in accordance with the formulae contained in Appendix C from Settling Defendants listed in Appendix C and the Settling Federal Agencies who selected this 50% premium in the event actual total future Response Costs exceed the cost estimate for future Response Costs of \$56,056,407.

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7. Escrow Account.

- a. Settling Defendants shall establish an interest-bearing Escrow Account no later than ten (10) days after the date of lodging of this Consent Decree.
- b. The escrow agreement, which will establish and govern the Escrow Account, is provided in Appendix D.
- c. The purpose of the Escrow Account is to receive payments from Settling Defendants and Settling Federal Agencies, as is provided in Paragraph 5, to earn interest, and to provide funds to finance response actions taken or to be taken at or in connection with the Hylebos Waterway Problem Areas. The funds shall be disbursed from the Escrow Account in accordance the escrow agreement under conditions which are described in paragraph 7(d) below. Under the terms of the escrow agreement, EPA, in its sole discretion, shall determine whether the conditions for distribution of the Escrow Account proceeds for performance of response actions have been met, and EPA will provide notice to the escrow agent as to the distribution of the funds in the Escrow Account. Settling Defendants are not eligible to receive any funds from the Escrow Account.
- d. The escrow agreement provides that if the United States and parties performing the remedial action for the Hylebos Waterway Problem Areas sign a consent decree (hereinafter "RD/RA" consent decree"), and that RD/RA consent decree is entered by the United States District Court, the funds in the Escrow Account shall be disbursed to EPA and/or such performing parties in accordance with directions set forth in the RD/RA consent decree. Notwithstanding the preceding sentence, the Escrow Account shall not retain funds for more than eighteen (18) months from the Effective Date of this Decree. At the conclusion of eighteen (18) months after the Effective Date, all funds remaining in the Escrow Account,

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EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Hylebos Waterway Problem Areas. After certification of completion of the Hylebos Waterway remedial action, any balance remaining in the Hylebos Waterway Problem Areas Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund.

8. At the time of payment under Paragraph 5 or, if applicable Paragraph 10 below, each Settling Defendant shall send notice that such payment has been made to:

including interest, shall be disbursed to EPA. All disbursements to EPA from the Escrow

Account made pursuant to this Paragraph or the Escrow Agreement shall be made by certified

or cashier's check or wire transfer made payable to "EPA Hazardous Substance Superfund"

and shall be deposited in the Hylebos Waterway Problem Areas Special Account within the

Chief, Environmental Enforcement Section United States Department of Justice DJ No. 90-11-2-726 P.O. Box 7611 Washington, D.C. 20044-7611

Lori Houck Cora Assistant Regional Counsel Office of Regional Counsel United States Environmental Protection Agency, Region 10 ORC-158, 1200 Sixth Avenue Seattle, Washington 98101

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Ruth Broome, Finance Section

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United States Environmental Protection Agency, Region 10 OMP-146 1200 Sixth Avenue Seattle, Washington 98101

9. The Parties to this Consent Decree recognize and acknowledge that the payment obligations of the Settling Federal Agencies under this Consent Decree can only be paid from appropriated funds legally available for such purpose. Nothing in this Consent Decree shall be interpreted or construed as a commitment or requirement that any Settling Federal Agency obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341, or any other applicable provision of law.

VII. FAILURE TO COMPLY WITH CONSENT DECREE

- 10. a. If any Settling Defendant fails to make full payment of its Total Payment Amount specified in Appendix B or C within the time required by Paragraph 5, Interest shall begin to accrue on the effective date of this Consent Decree on that Settling Defendant's unpaid balance through the date of payment, and that Settling Defendant shall pay stipulated penalties of \$1,000 per day for each day such payment is late.
- b. Stipulated penalties are due and payable within 30 days of the date of the demand for payment of the penalties by EPA. All payments of stipulated penalties made under this Paragraph shall be identified as "stipulated penalties" and shall be made by certified or cashier's check made payable to "EPA Hazardous Substance Superfund" and shall be deposited in the Hylebos Waterway Problem Areas Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance the response action at or in connection with the Hylebos Waterway Problem Areas. After certification of completion of the Hylebos Waterway remedial action, any balance remaining in the Hylebos

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Waterway Problem Areas Special Account shall be transferred by EPA to the EPA Hazardous Substance Superfund. The check, or the letter accompanying the check, shall reference the name and address of the party(ies) making the payment, the Site name, the site/spill identification numbers 108N and 107C, and DOJ Case Number 90-11-2-726 and shall be sent to:

U.S. Environmental Protection Agency Region 10 Superfund Accounting P.O. Box 360903M Pittsburgh, Pennsylvania 15251

- 11. If any Settling Defendant fails to comply with any requirement contained in Section IX (Access/Institutional Controls/Responsibility for Dock and Structure Repair) the United States may, in addition to any other available remedies or sanctions, bring an action against that Settling Defendant seeking injunctive relief to compel compliance and/or seeking civil penalties under Section 122(1) of CERCLA, 42 U.S.C. § 9622(1), for failure to comply with this Consent Decree.
- 12. If the United States brings an action to enforce this Consent Decree against a Settling Defendant, that Settling Defendant shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time. Payments made under this Section shall be in addition to any other remedies or sanctions available to Plaintiff by virtue of such Settling Defendants' failure to comply with the requirements of this Consent Decree. Notwithstanding any other provision of this Section, the United States may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Consent Decree. Payment of stipulated penalties shall not excuse such Settling Defendants from payment as required by Section VI. or from performance of any other requirements of this Consent Decree.

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VIII. CERTIFICATION OF SETTLING DEFENDANTS AND SETTLING FEDERAL AGENCIES

- 13. By signing this Consent Decree, each Settling Defendant certifies, individually, that, to the best of its knowledge and belief, it has:
- a. conducted a thorough, comprehensive, good faith search for documents, and has fully and accurately disclosed to EPA and/or the Allocator, all information currently in its possession, or in the possession of its officers, directors, employees, contractors, or agents, which relates in any way to identifying who owned, operated, or controlled the Site, or (2) to the ownership, possession, generation, treatment, transportation, storage, or disposal of a hazardous substance, pollutant, or contaminant at or in connection with the Site;
- b. no information that would suggest that its contributions of hazardous substances, pollutants, or contaminants to one or both of the Hylebos Waterway Problem Areas was greater or significantly different than determined in the Allocator Report;
- c. not altered, mutilated, discarded, destroyed, or otherwise disposed of any records, documents, or other information relating to its potential liability regarding the Site after notification of potential liability or the filing of a suit against it regarding the Site; and
- d. fully complied with any and all EPA requests for information regarding the Site pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e).
- 14. The certifications contained in Paragraph 13 inure only to the benefit of the United States and the Settling Defendants, and not to any other parties.
- 15. The United States acknowledges that each Settling Federal Agency (1) is subject to all applicable Federal record retention laws, regulations, and policies; and (2) has certified that it has fully complied with any and all EPA requests for information pursuant to Section

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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104(e) and 122(e) of CERCLA, 42 U.S.C. § 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927.

IX. ACCESS/INSTITUTIONAL CONTROLS /RESPONSIBILITY FOR DOCK AND STRUCTURE REPAIR

- 16. If any portion of the Hylebos Waterway Problem Areas, or any property within the vicinity of the Hylebos Waterway where access and/or land or water use restrictions are needed to implement response actions related to the Hylebos Waterway Problem Areas, is owned or controlled by a Settling Defendant then such Settling Defendant shall:
- a. commencing on the date of lodging of this Consent Decree, provide the United States and the State, and their representatives, including EPA and its contractors, and any person and its representatives who are performing response actions under an order or agreement with EPA, with access at all reasonable times to the Hylebos Waterway Problem Areas, or property in the vicinity of the Hylebos Waterway, for the purpose of conducting any activity related to the response action, including, but not limited to, the following activities:
 - i) Monitoring the response action;
 - ii) Verifying any data or information submitted to the United States;
- iii) Conducting investigations relating to contamination at or near the CB/NT Site or Hylebos Waterway Problem Areas;
 - iv) Obtaining samples;
- v) Assessing the need for, planning, or implementing additional response actions at or near the CB/NT Site or Hylebos Waterway Problem Areas;
 - vi) Implementing the response action;

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vii) Investigating whether the Hylebos Waterway Problem Areas, or

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prohibited or restricted to maintain the effectiveness of the remedy selected in the ROD.		
b. commencing on the date of lodging of this Consent Decree, and		
immediately upon receiving notice from EPA or its representative, or any person performing		

other property is being used in a manner that is prohibited or restricted, or that may need to be

immediately upon receiving notice from EPA or its representative, or any person performing response action under an order or agreement with EPA, refrain from using the Hylebos Waterway Problem Areas, or other property in any manner that may interfere with remedial design or remedial action activities, or may interfere with or adversely affect the implementation, integrity or protectiveness of the remedial measures taken or to be taken related to the Hylebos Waterway Problem Areas so as to achieve the following institutional control objectives:

- i) reduce potential exposure of marine organisms to contaminated sediments disposed of and confined in aquatic disposal sites or confined by capping; and
- ii) reduce potential exposure of marine organisms to contaminated sediments left in place in the Hylebos Waterway; and
- c. thirty (30) days after notice by EPA or its representative, or any person performing remedial action under an order or agreement with EPA, submit a draft restrictive covenant for approval by EPA and within 10 days of EPA approval execute and record in the Recorder's Office or Registry of Deeds or other appropriate office of Pierce County, State of Washington, a restrictive covenant authorized by the Washington Model Toxics Control Act (MTCA) and that complies with the form and content contained in WAC 173-340-440 and is approved by EPA for implementation of institutional controls that are required to assure

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continued protection of human health and the environment or the integrity of the remedial action, or other applicable requirements of this Consent Decree.

- d. Future shoreline development projects or in-water development on Owner Settling Defendants' properties may affect the remedial action. Such projects likely will require local, state, and/or federal permits, licenses, or approvals, which Owner Settling Defendants are responsible to apply for and obtain. In the event a project may affect the remedial action, the Owner Settling Defendant shall notify EPA's Project Coordinator of its proposed project.
- e. Settling Defendants agree to use all authorities they have to obtain from their tenants, lessees, or other persons that possess a right to occupy any portion of their properties: (1) access for the purposes contained in subparagraph a. of this Section; and (2) implementation of land and/or water use restrictions in accordance with subparagraph b. above.
- 17. EPA acknowledges that Settling Defendants' properties include operating businesses. EPA acknowledges that the right of access should be exercised at reasonable times and in a way which minimizes interference with the operation of those businesses to the extent practicable. EPA, its representatives, or any persons performing response actions under an order or agreement with EPA shall make reasonable efforts to provide ten (10) working days notice of those areas and the times needed to perform response actions on that Settling Defendant's properties to the Settling Defendants, but the lack of such notice shall not alter in any way Settling Defendants' obligation to provide access under this Section.

Notwithstanding any provision of this Consent Decree, the United States retains all of its access authorities and rights, as well as all of its rights to require land/water use restrictions,

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including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statute or regulations.

- 18. In addition to providing access and institutional controls provided above, each Owner Settling Defendant shall participate and cooperate in the remedial design and remedial action with EPA, its representatives, or any persons performing response actions under an order or agreement with EPA to the extent required to facilitate implementation of response actions by others on that Owner Settling Defendant's property within the Hylebos Waterway Problem Area. Each Owner Settling Defendant's participation and cooperation shall include, but not be limited to, the following commitments:
- a. upon request by EPA, or any person performing response actions under an order or agreement with EPA, attend meetings, review documents, and provide requested information required by the requestor within five (5) days or such longer time that EPA may approve;
- b. if performance of the response action will degrade or adversely affect the integrity of a bulkhead, pier, dock, piling or other structure on an Owner Settling Defendant's property such that EPA determines such degraded condition poses or is likely to pose a threat to public health or the environment, or may become an obstruction to navigation or otherwise violate state or federal law, such Owner Settling Defendant shall rebuild, renovate, or replace any such degraded structure as directed by and within the time frame required by EPA.
- c. In accordance with this Section and based on existing information, Sound Refining, Inc. agrees to repair or replace its bulkhead to ensure the effectiveness of the remedy implemented in Sediment Management Area 432 and address any landward cleanup actions, if any, resulting from such repair or replacement. Sound agrees to work cooperatively with

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EPA, its contractors or any person performing response actions under an order or agreement with EPA to coordinate bulkhead repair or replacement with the remedial design and remedial action of Sediment Management Area 432. Sound shall select the type or method of bulkhead repair or replacement and its design and construction, consistent with applicable laws.

d. Subject to Paragraph 27 in this Consent Decree, nothing herein waives Owner Settling Defendants' claims for property damage caused by negligence of the parties performing the response action.

X. COVENANT NOT TO SUE BY UNITED STATES

19. Covenant Not to Sue Settling Defendants by United States. In consideration of the payments and commitments that will be made by the Settling Defendants under the terms of the Consent Decree, and except as specifically provided in Paragraphs 21, 22 and 23 of this Section, the United States covenants not to sue or to take administrative action against Settling Defendants pursuant to Sections 106 and 107(a) of CERCLA and Section 7003 of RCRA relating to the Site. With respect to present and future liability, this covenant not to sue shall take effect for each Settling Defendant upon receipt by the Escrow Account from that Settling Defendant of that Settling Defendant's payments required by Section VI (Payment) and any amount due under Section VII (Failure to Comply with Consent Decree). These covenants are conditioned upon the satisfactory performance by that Settling Defendant of its obligations under this Consent Decree and the veracity of the information provided to EPA and/or the Allocator by that Settling Defendant relating to that Settling Defendant's involvement with the Hylebos Waterway Problem Areas. These covenants not to sue extend only to the Settling Defendants and do not extend to any other person.

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20. Covenant for Settling Federal Agencies by EPA. In consideration of the
payments that will be made by the Settling Federal Agencies under the terms of the Consent
DecreeEPA covenants not to take administrative action against the Settling Federal Agencies
pursuant to Sections 106 and 107(a) of CERCLA and 7003 of RCRA relating to the Site
except as expressly limited in this Paragraph below and in Paragraphs 21, 22, and 23. With
respect to present and future liability, this covenant shall take effect for each Settling Federal
Agency upon receipt by the Escrow Account from that Settling Federal Agency of that
Settling Federal Agency's payments required by Section VI (Payment). EPA's covenant does
not include potential administrative claims or action against Settling Federal Agencies for: (1)
access to federally-owned property for implementation of response actions, including long-
term operation and maintenance; (2) implementation of institutional controls; (3) cooperation
in the design and the remedial action by attending meetings and supplying information to
facilitate implementation of the remedy; and (4) response actions to rebuild, renovate, or
replace degraded structures on federally-owned property that might affect the implementation
or performance of the remedy at the Site. EPA's covenant is conditioned upon the satisfactory
performance by Settling Federal Agencies of their obligations under this Consent Decree and
he veracity of the information provided to EPA by the Settling Federal Agencies relating to
he Settling Federal Agencies involvement with the Hylebos Waterway Problem Areas.
EPA's covenant extends only to the Settling Federal Agencies and does not extend to any
other person.

21. <u>United States' Pre-certification Reservations</u>. Notwithstanding any other provision of this Consent Decree, the United States reserves, and this Consent Decree is without prejudice to, its right to institute proceedings in this action or in a new action, or to

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or

- issue an administrative order seeking to compel one or more Settling Defendants, and EPA reserves the right to issue an administrative order seeking to compel the Settling Federal Agencies,
 - a. to perform further response actions relating to the Site or
- b. to reimburse the United States for additional costs of response if, prior to Certification of Completion of the Remedial Action:
 - i) conditions at the Site, previously unknown to EPA, are discovered,
- ii) information, previously unknown to EPA, is received, in whole or in part, and these previously unknown conditions or information together with any other relevant information indicates that the Remedial Action is not protective of human health or the environment.
- 22. <u>United States' Post-certification Reservations</u>. Notwithstanding any other provision of this Consent Decree, the United States reserves, and this Consent Decree is without prejudice to, its right to institute proceedings in this action or in a new action, or to issue an administrative order seeking to compel Settling Defendants, and EPA reserves the right to issue an administrative order seeking to compel the Settling Federal Agencies,
 - a. to perform further response actions relating to the Site or
- b. to reimburse the United States for additional costs of response if, subsequent to Certification of Completion of the Remedial Action:
 - i) conditions at the Site, previously unknown to EPA, are discovered,

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or

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ii) information, previously unknown to EPA, is received, in whole or in part, and these previously unknown conditions or this information together with other relevant information indicate that the Remedial Action is not protective of human health or the environment.

23. For purposes of Paragraph 21, the information and the conditions known to EPA shall include only that information and those conditions known to EPA as of the date of the August, 2000 ESD (August 3, 2000) and set forth in the Record of Decision, as modified by the July 1997 and August 2000 ESD, and the administrative records supporting the Record of Decision and the ESD or contained in EPA-approved remedial design documents as of the effective date of this Consent Decree. For purposes of Paragraph 22, the information and the conditions known to EPA shall include only that information and those conditions known to EPA as of the date of Certification of Completion of the Remedial Action and set forth in the Record of Decision, the administrative records supporting the Record of Decision and July, 1997 and August, 2000 ESD, the post-ROD administrative record, or in any information received by EPA pursuant to the requirements of an Order or Consent Decree for Remedial Design and Remedial Action with other parties prior to Certification of Completion of the Remedial Action.

XI. RESERVATIONS OF RIGHTS BY UNITED STATES

24. The covenant not to sue by the United States set forth in Paragraph 19 and the Covenant by EPA in Paragraph 20 do not pertain to any claims other than those expressly specified in Paragraphs 19 and 20, including but not limited to any civil or criminal claims under other statutes or under other Sections of CERCLA. The United States also reserves and this Consent Decree is without prejudice to, all rights against individual Settling Defendants.

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and EPA and Federal Natural Resource Trustees reserve, and this Consent Decree is without
prejudice to, all rights against Settling Federal Agencies, with respect to the following claims
under Section 106 or 107 of CERCLA:

- a. liability for failure to meet a requirement of this Consent Decree, including, but not limited to payment of stipulated penalties or Interest pursuant to Section VI of this Decree or provision of access, institutional controls, necessary participation and cooperation, or structure repair in the response action pursuant to Section IX of this Decree;
- b. liability of the Settling Defendants and the United States on behalf of Settling Federal Agencies listed in Appendix C for their proportionate share of future Response Costs under the conditions and in accordance with the terms specified in Section VI, 6.c.(ii) of this Decree and Appendix C to this Decree;
- c. liability arising from the past, present, or future disposal, release, or potential threat of a release of a hazardous substance, pollutant, or contaminant to areas outside of the Hylebos Waterway Problem Areas, including releases to upland properties adjacent to the Hylebos Waterway Problem Areas that have not migrated into the Hylebos Waterway Problem Areas as of the date this Consent Decree is lodged with the Court;
 - d. criminal liability;
- e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments within or outside of the Hylebos Waterway Problem Areas;
- f. liability arising from the future release or potential threat of a release of a hazardous substance, pollutant, or contaminant at or in the Hylebos Waterway Problem Areas after the date of lodging of this Consent Decree.

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25. Notwithstanding any other provision in this Consent Decree, the United States	
reserves, and this Consent Decree is without prejudice to, the right to reopen or institute	
proceedings against any individual Settling Defendant in this action or in a new action, and	
EPA reserves and this Consent Decree is without prejudice to, the right to institute	
administrative proceedings against any individual Settling Federal Agency, to reimburse the	
United States for Response Costs, and/or to issue an administrative order to any individual	
Settling Defendant or Settling Federal Agency seeking to compel that Settling Defendant or	
Settling Federal Agency to perform response actions relating to the Hylebos Waterway	
Problem Areas, and/or to reimburse the United States for additional costs of response if:	

- a. the United States finds that the individual Settling Defendant's, or EPA finds that an individual Settling Federal Agency's, Certifications made in Section VIII of this Decree are untrue or inaccurate in a material way; or
- b. information is discovered that indicates that such individual Settling Defendant or Settling Federal Agency contributed hazardous substances to the Hylebos Waterway Problem Areas in such greater amount or such greater toxic or other hazardous effects that EPA determines that the discovered information materially changes the basis for entering into this settlement with the particular Settling Defendant or Settling Federal Agency.
- 26. Notwithstanding any other provision in this Consent Decree, the United States reserves, and this Consent Decree is without prejudice to, the right to institute proceedings against any individual Settling Defendant in this action or in a new action, and EPA reserves and this Consent Decree is without prejudice to, the right to institute an administrative

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proceeding against any individual Settling Federal Agency, to reimburse the United States for Response Costs, and/or to issue an administrative order to any individual Settling Defendant or Settling Federal Agency seeking to compel that Settling Defendant or Settling Federal Agency to perform response actions, relating to any other Problem Area or portion of the CB/NT Site.

XII. COVENANT NOT TO SUE BY SETTLING DEFENDANTS

- 27. Settling Defendants covenant not to sue and agree not to assert any claims or causes of action against the United States or its contractors or employees with respect to the remedial action at the Hylebos Waterway Problem Areas or this Consent Decree, including, but not limited to:
- a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claim against the United States arising out of response activities at the Hylebos Waterway Problem Areas, including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or
- c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Hylebos Waterway Problem Areas.
- 28. Nothing in this Consent Decree shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. Part 300.700(d).

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29. Settling Defendants covenant not to sue and agree not to assert any claims or causes of action against each other with regard to the matters addressed by this Consent Decree pursuant to Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613.

XIII. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

- 30. Nothing in this Consent Decree shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Decree. The United States and each Settling Defendant each reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Hylebos Waterway Problem Areas or the CB/NT Site against any person not a party to this Consent Decree, except as provided below. If any Settling Defendant seeks to bring a new action in connection with the Hylebos Waterway Problem Areas, excepting an action brought by a Settling Defendant against its insurance carrier, such Settling Defendant agrees to notify the United States at least sixty (60) days prior to the commencement of the action, and concurrently to provide to EPA all information in its possession relating to the person's involvement at the Hylebos Waterway Problem Areas.
- 31. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of Response Costs, or other relief relating to the Hylebos Waterway Problem Areas, Settling Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant action;

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provided, however, that nothing in this Paragraph affects the enforceability of the covenant not to sue included in Paragraph 19 and the Covenant by EPA in Paragraph 20.

32. The Parties agree, and by entering this Consent Decree this Court finds, that each Settling Defendant and the United States, including each Settling Federal Agency is entitled, as of the date of entry of this Consent Decree, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. 9613(f)(2), for "matters addressed" in this Consent Decree. The "matters addressed" in this Consent Decree are all response actions taken and to be taken by the United States or by any other entity, and Response Costs incurred in connection with the Hylebos Waterway Problem Areas, including past and future Response Costs incurred and to be incurred by the United States, and past and future Response Costs incurred by any other entities in connection with the Hylebos Waterway Problem Areas, except claims for Settling Defendants' proportionate share of cost overruns reserved against Settling Defendants that pay a 50% premium as set forth in Section VI.6.c.(ii) of this Consent Decree. "Matters addressed" does not include any claims under contractual indemnities or any other private contractual obligations.

XIV. RETENTION OF JURISDICTION

33. This Court shall retain jurisdiction over this matter for the purpose of interpreting and enforcing the terms of this Consent Decree.

XV. <u>INTEGRATION/APPENDICES</u>

34. This Consent Decree and Appendices A, B, C, and D attached hereto constitute the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Decree. The Parties acknowledge that

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there are no representations, agreements, or understandings relating to the settlement other than those expressly contained in this Consent Decree. "Appendix A" is the list of Settling Defendants and Settling Federal Agencies. "Appendices B and C" show the Total Payment Amount each Settling Defendant and the United States on behalf of the Settling Federal Agencies is required to pay pursuant to this Consent Decree and designates which premium amount (i.e., 100% or 50%) each Settling Defendant and the United States on behalf of the Settling Federal Agencies will pay. "Appendix C" also includes the formulae for calculating the proportionate share of future Response Costs that each Settling Defendant and the United States on behalf of the Settling Federal Agencies paying a 50% premium may pay if the future Response Costs exceed \$56,056,407. "Appendix D" includes the escrow agreement for the Escrow Account required in Paragraph 7 of this Consent Decree.

XVI. PUBLIC COMMENT

35. This Consent Decree shall be lodged with the Court for a period of not less than thirty (30) days for public notice and comment. The United States shall file with the Court any written comments received and the United States' response thereto. The United States reserves the right to withdraw or withhold its consent if comments regarding the Consent Decree disclose facts or considerations that indicate that this Consent Decree is inappropriate, improper, or inadequate. Settling Defendants consent to entry of this Consent Decree without further notice, and the United States reserves the right to oppose an attempt by any person to intervene in this civil action.

XVII. EFFECTIVE DATE

36. The effective date of this Consent Decree shall be the date of entry by this Court, following public comment pursuant to Paragraph 35.

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XVIII. SIGNATORIES/SERVICE

- 37. Each undersigned representative of a Settling Defendant to this Consent Decree and the Assistant Attorney General for the Environment and Natural Resources Division of the United States Department of Justice, or her delegatee, certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and bind legally such party to this document.
- 38. Each Settling Defendant hereby agrees not to oppose entry of this Consent Decree by this Court or to challenge any provision of this Consent Decree, unless the United States has notified Settling Defendants in writing that it no longer supports entry of the Consent Decree.
- 39. Each Settling Defendant shall identify, on the attached signature page, the name and address of an agent who is authorized to accept service of process by mail on behalf of that Party with respect to all matters arising under or relating to this Consent Decree. Settling Defendants hereby agree to accept service including, but not limited to, service of a summons, in that manner and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable local rules of this Court.

SO ORDERED THIS 15 DAY OF 5, 2003

UNITED STATES DISTRICT JUDGE

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United States Department of Justice Environmental & Natural Resources Division Environmental Enforcement Section P.O. Box 7611

Ben Franklin Station Washington, D.C. 20044

Environmental Enforcement Section

P.O. Box 7611

Ben Franklin Station Washington, D.C. 20044

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson, et al.</u> , relating to the Hylebos Waterway Problem Areas, within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:		
	FOR THE UNITED STATES OF AMERICA	
Date: 2.4.03	THOMAS L. SANSONETTI Assistant Attorney General Environmental and Natural Resources Division U.S. Department of Justice Washington, D.C. 20530	
Date: 1/30/03	MICHAEL J. MCNULTY Attorney Environmental Enforcement Section Environmental and Natural Resources Division United States Department of Justice P.O. Box 7611 Washington, D.C. 20044 (202) 514-1210	
Date:	ROBERT H. FOSTER Attorney Environmental Defense Section Environmental and Natural Resources Division U.S. Department of Justice 999 18th Street, Suite 945 Denver, CO 80202 (303) 312-7320	
CONSENT DECREE Commencement Bay Nearshore/Tideflats	United States Department of Justice Environmental & Natural Resources Division	

JOHN MCKAY United States Attorney for the Western District of Washington

Date: 2/2(4/0)



BRIAN KIPNIS
Assistant United States Attorney
601 Union Street
Suite 5100
Seattle, WA 98101
(206) 553-7970

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Director, Environmental Cleanup Office

Region 10

U.S. Environmental Protection Agency

1200 Sixth Avenue

Seattle, Washington 98101

Date: 12 Suly 7002

Assistant Regional Counsel U.S. Environmental Protection

Agency

1200 Sixth Avenue

Seattle, Washington 98101

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR MARY JANE ANDERSON

Date: July 12, 2002

Mary Jane B. anderson

452 39th Avenue East Seattle, WA 98112

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Inger C. Brockman Montgomery Purdue Blankinship & Austin, PLLC. 5800 Bank of America Tower 701 Fifth Avenue Seattle, WA 98104-7096 (206)682-7090

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Commencement Bay Nearshore/Tideflats
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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR B&L TRUCKING CAMILLE FJETLAND, and EXECUTIVE BARK

Date: 15 Zwz

EDWARD D. CAMPBELL Attorney and Representative 9534 14th Avenue N.W. Seattle, WA 98117

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Philip B. Grennan Lee, Smart, Cook, Martin & Patterson, P.S., Inc. 1800 One Convention Place 701 Pike Street Seattle, WA 98101

Edward D. Campbell 9534 14th Avenue N.W. Seattle, WA 98117

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR BOARDMAN WARREN BROWN

Date: 16 Oug 2002

BOARDMAN WARREN BROWN

550 Bradford

Pacadena, California 91105

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Inger C. Brockman Montgomery Purdue Blankinship & Austin, PLLC. 5800 Bank of America Tower 701 Fifth Avenue Seattle, WA 98104-7096 (206)682-7090

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Date: 7/15/02

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR BUFFELEN WOODWORKING CO. (a

Washington Corporation)

OE D. GUIZZETTA

Chief Executive Officer P.O. Box 1383

Tacoma, WA 98401

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Joe D. Guizzetti Buffelen Woodworking Co. P.O. Box 1383 Tacoma, WA 98401 (253) 627-1191

Loren R. Dunn Riddell Williams P.C. 1001 Fourth Avenue Ste. 4500 Seattle, WA 98154 (206) 624-3600

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR CITY OF TACOMA
DEPARTMENT OF PUBLIC UTILITIES

Date: 7-12-02

MARK CRISSON Director of Utilities 3628 South 35th Street P.O. Box 11007 Tacoma, WA 98411 (253) 502-8200

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

G.S. Karavitis Sr. Assistant City Attorney Office of the City Attorney TPU Legal Section 3628 South 35th Street P.O. Box 11007 Tacoma, WA 98411 (253) 502-8311

Approved As To Form & Legality

Senior Asst. City Attorney

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

> FOR CITY OF TACOMA (including all departments, divisions, and offices, except Tacoma Public Utilities)

City Mana 747 Market Street

Tacoma, WA 98402-3767

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Robin Jenkinson City Attorney 747 Market Street Room 1120 Tacoma, WA 98402-3767

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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United States Department of Justice Environmental & Natural Resources Division Environmental Enforcement Section P.O. Box 7611 Ben Franklin Station Washington, D.C. 20044

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR DUNLAP TOWING COMPANY

Date: 7/8/2002

MES L. DUNLAP

President P.O. Box 593

La Conner, WA 98257

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

James L. Dunlap President P.O. Box 593 La Conner, WA 98257 (306) 476-3114

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the

Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce

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County, Washington:

Date: 7-19-02

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FOR HYLEBOS MARINA, INC.

RON OLINE

President

1940 Marine View Drive Tacoma, WA 98422

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

James V. Handmacher Bonneville, Viert, Morton & McGoldrick 820 "A" Street, Ste. 600 Tacoma, WA 98401

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR JUDY JOHNSON

Date: 2-19-02

DDY JOHNSON 5310 S. Island Drive Sumner, WA 98390

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

James V. Handmacher Bonneville, Viert, Morton & McGoldrick 820 "A" Street, Ste. 600 Tacoma, WA 98401

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR LOUISIANA-PACIFIC CORP.

Date: July 15, 2002

CURTIS STEVENS

Vice-President and Chief Financial Officer 805 SW Broadway

Portland, OR 97205

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Bert P. Krages, II Attorney at Law 6665 S.W. Hampton Street Suite 200 Portland, Oregon 97223

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR MANKE LUMBER CO., INC.

Date: 07/18/02

CHARLES MANKE
MANKE LUMBER CO., INC.
1717 Marine View Drive
Tacoma, WA 98422

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Gregory A. Jacoby, WSBA #18326 McGavick & Graves, P.S. 1102 Broadway, Suite 500 Tacoma, WA 98402 (253) 627-1181

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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County, Washington:

THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United

Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce

States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the

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Date: 7/15/02

FOR MCFARLAND CASCADE HOLDINGS, INC.

GREG D. MCFARLAND

Vice President 1640 East Marc Tacoma, WA 98421

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Bradley B. Jones Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim, LLP 1201 Pacific Avenue, Suite 200 Tacoma, Washington 98401-1157 (253) 620-6485

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR MODUTECH MARINE, INC.

Date: 7-10-02

CARL SWINDAHL
President
2218 Marine View Drive
Tacoma, WA 98422

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Gregory A. Jacoby, WSBA #18326 McGavick & Graves, P.S. 1102 Broadway, Suite 500 Tacoma, WA 98402 (253) 627-1181

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR MURRAY PACIFIC CORP.

Date: July 11, 2002

ALEXANDER M. POLSON, II.

ALEXANDER M. POLSON, II. Executive Vice President 1201 Pacific Avenue, Ste. 1750

Tacoma, WA 98402

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Bradley B. Jones Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim, LLP 1201 Pacific Avenue, Suite 200 Tacoma, Washington 98401-1157 (253) 620-6485

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
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States v. Mary Iane Anderson, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United

FOR OLIN CORPORATION

CURT M. RICHARDS Corporate Director VICE PRESIDENT Environmental, Health and Safety 1186 Lower River Road P.O. Box 248 Charleston, TN 37310

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Curt M. Richards Vice President Environmental, Health & Safety Olin Corporation 1186 Lower River Road P. O. Box 248 Charleston, TN 37310

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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United States Department of Justice Environmental & Natural Resources Division Environmental Enforcement Section P.O. Box 7611 Ben Franklin Station Washington, D.C. 20044

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States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United

FOR RON OLINE

Date: 7-19-02

RON OLINE 3819 Taylor Way East Tacoma, WA 98424

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

James V. Handmacher Bonneville, Viert, Morton & McGoldrick 820 "A" Street, Ste. 600 Tacoma, WA 98401

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR PAN PACIFIC TRADING

Date: 111602

L. T. MURRAY III

President

1201 Pacific Avenue, Ste. 1750

Tacoma, WA 98402

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Bradley B. Jones Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim, LLP 1201 Pacific Avenue, Suite 200 Tacoma, Washington 98401-1157 (253) 620-6485

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR JOSEPH SIMON & SONS and RAIL & LOCOMOTIVE EQUIPMENT COMPANY (a Division of Joseph Simon & Sons)

Date: 7-8-02

PHILIP SIMON

President

2200 East River Street Tacoma, WA 98421

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Philip Simon 2200 East River Street Tacoma, WA 98421 (253) 272-9364

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR SOUND REFINING, INC.

GREGE

President

2121 San Jacinto, LB 38 Dallas, TX 75201

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Bradley B. Jones Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim, LLP 1201 Pacific Avenue, Suite 200 Tacoma, Washington 98401-1157 (253) 620-6485

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
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States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington: FOR SRS PROPERTIES (a Washington General

THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United

Partnership)

Date: 7/11/02

SOPHIE SUSSMAN, Partner c/o Guy J. Sternal Eisenhower & Carlson, PLLC 1200 Wells Fargo Plaza

1201 Pacific Avenue Tacoma, WA 98402

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Guy J. Sternal Eisenhower & Carlson, PLLC 1200 Wells Fargo Plaza 1201 Pacific Avenue Tacoma, WA 98402 (252) 572-4500

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR ESTATE OF LESLIE P. SUSSMAN

Date: 7/11/02

SOPHIE SUSSMAN, Personal Representative c/o Guy J. Sternal
Eisenhower & Carlson, PLLC
1200 Wells Fargo Plaza
1201 Pacific Avenue
Tacoma, WA 98402

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Guy J. Sternal Eisenhower & Carlson, PLLC 1200 Wells Fargo Plaza 1201 Pacific Avenue Tacoma, WA 98402 (252) 572-4500

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of United States v. Mary Jane Anderson, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR SOPHIE SUSSMAN

Date: 7/11/02

SOPHIE SUSSMAN c/o Guy J. Sternal Eisenhower & Carlson, PLLC 1200 Wells Fargo Plaza 1201 Pacific Avenue Tacoma, WA 98402

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Guy J. Sternal Eisenhower & Carlson, PLLC 1200 Wells Fargo Plaza 1201 Pacific Avenue Tacoma, WA 98402 (252) 572-4500

CONSENT DECREE Commencement Bay Nearshore/Tideflats Superfund Site

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Mary Jane Anderson</u>, relating to the Hylebos Waterway Problem Areas within the Commencement Bay Nearshore/Tideflats Superfund Site in the City of Tacoma, Pierce County, Washington:

FOR CARL AND ELAINE SWINDAHL

Date: 7-10-02

CARL SWINDAHL c/o Gregory A. Jacoby McGavick & Graves, P.S. 1102 Broadway, Suite 500 Tacoma, WA 98402

Date: $\frac{7/0/0\lambda}{}$

c/o Gregory A. Jacoby McGavick & Graves, P.S. 1102 Broadway, Suite 500 Tacoma, WA 98402

Agent Authorized to Accept Service on Behalf of Above-Signed Party:

Gregory A. Jacoby, WSBA #18326 McGavick & Graves, P.S. 1102 Broadway, Suite 500 Tacoma, WA 98402 (253) 627-1181

CONSENT DECREE
Commencement Bay Nearshore/Tideflats
Superfund Site

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APPENDIX A United States vs. Mary Jane Anderson, et al., Civ. No. ______

Settling Defendants and Settling Federal Agencies

Settling Defendants

- 1. Mary Jane Anderson
- 2. B&L Trucking
- 3. Camille Fjetland
- 4. Executive Bark
- 5. Boardman Warren Brown
- 6. Bufflen Woodworking Company*
- 7. City of Tacoma, Dept. of Public Utilities*
- 8. City of Tacoma*
- 9. Dunlap Towing Company
- 10. Hylebos Marina, Inc.*
- 11. Judy Johnson*
- 12. Louisiana-Pacific Corporation*
- 13. Manke Lumber Co., Inc.*
- 14. McFarland Cascade, Inc.
- 15. Modutech Marine, Inc.*
- 16. Murray Pacific Corporation

^{*} Identifies Owner Settling Defendants

APPENDIX A

United States vs. Mary Jane Anderson, et al.

Settling Defendants and Settling Federal Agencies

Settling Defendants, cont'd.

- 17. Olin Corporation
- 18. Ron Oline*
- 19. Pan Pacific Trading
- 20. Joseph Simon & Sons*
- 21. Rail & Locomotive Equipment Company
- 22. Sound Refining, Inc.*
- 23. SRS Properties
- 24. Estate of Leslie P. Sussman
- 25. Sophie Sussman
- 26. Carl and Elaine Swindahl*

Settling Federal Agencies

- 27. Bonneville Power Administration
- 28. U.S. Department of Defense
- 29. U.S. Department of Navy
- 30. U.S. Department of Air Force
- 31. U.S. Army Corps of Engineers

^{*} Identifies Owner Settling Defendants

Sottling Defendant	Past Cost Pajment	Future RD/RA Cost Payment	Cost Payment w. 100% Premium	Total Payment Amount
Anderson, Mary Jane	\$32,034	\$2,412	\$4,824	\$36,857
B&L Trucking	\$72,867	\$4,824	\$9,647	\$82,514
Brown, Boardman W.	\$32,034	\$2,412	\$4,824	\$36,857
Buffelen	\$384,651	\$250,733	\$438,857	\$823,508
City of Tacoma Public Utilities	\$248,880	\$112,368	\$208,842	\$457,722
Dunlap Towing	0\$	\$289,987	\$579,409	\$579,409
Hylebos Marina	\$36,798	\$4,824	\$9,647	\$46,445
Judy Johnson	\$10,011	\$73,660	\$146,015	\$156,026
Louisiana Pacific	\$142,149	\$9,647	\$19,295	\$161,444
Manke Lumber	\$194,824	\$28,942	\$57,884	\$252,708
McFarland-Cascade	\$18,019	\$2,412	\$4,824	\$22,843
Modutech	\$20,165	\$2,412	\$4,824	\$24,988
Murray Pacific	\$62,009	\$26,795	\$46,090	\$108,099
Olin Corporation	0\$	\$2,412	\$4,824	\$4,824
Pan Pacific	\$58,061	\$4,824	\$9,647	\$67,708
Ron Oline	\$10,011	\$73,660	\$146,015	\$156,026
Sound Refining	\$54,005	\$271,650	\$363,301	\$417,306
Sussman/SRS	\$316,101	\$1,027,397	\$1,828,131	\$2,144,232
Swindahl, Carl & Elaine	\$4,004	\$2,412	\$4,824	\$8,828
Total	\$1,696,622		\$3,891,724	\$5,588,346

United States vs. Mary Jane Anderson, et. al., Civ. No. Appendix C to the Consent Decree in

Case 3:03-cv-05107-FDB

Payment Amount	\$459,663	\$864,280	\$8,523,463	\$9,847,406
Cost Payment w. 50% Premium	\$319,567	\$786,485	\$6,605,827	\$7,711,880
RD/RA Cost Payment	\$213,528	\$530,829	\$4,739,055	
Cost Cost	\$140,096	\$17,794	\$1,917,636	\$2,135,526
Settling Parties	City of Tacoma Public Works	Joseph Simon & Sons/R&L	United States	Total
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If actual future total response costs exceed the cost estimate for future response cost of \$546,056,407 used in the allocation process, then the parties listed above shall contribute proportionally to the cost exceedance in the amount to be determined by the following formulas:

For City of Tacoma Public Works, the formula shall be

(Actual Future Total Response Cost minus \$56,056,407) X 0.4397% = additional contribution

Filed 09/15/2003

For Joseph Simon & Sons/R&L, the formula shall be

(Actual Future Total Response Cost minus \$56,056,407) X 1.06% = additional contribution

For United States, the formula shall be

(Actual Future Total Response Cost minus \$56,056,407) X 7.74% = additional contribution

29-01-03 11:24

Appendix D to the Consent Decree in United States vs. Mary Jane Anderson, et al., Civ. No.

ESCROW AGREEMENT

This Escrow Agreement	("Agreement") is made as of _	, 2002, by those
parties, other than the Settling Fed	deral Agencies, listed as "Settlin	g Defendants" on Exhibit A to
the Consent Decree filed with	United States District Court	for the Western District of
Washington under Cause No	("Funding Parties") and I	KeyBank National Association
("Bank").		

RECITALS

- Certain Settling Defendants, including the Funding Parties hereunder, have entered into the Consent Decree with the United States with regard to payment of certain Response Costs in connection with the Hylebos Waterway Problem Areas, Commencement Bay Nearshore/Tideflats Superfund Site, Tacoma, Washington.
- All capitalized terms not otherwise defined in this Agreement shall have the meanings given them in the Consent Decree.
- Pursuant to the Consent Decree, the Funding Parties are required to contribute certain payments according to Appendices B or C to the Consent Decree ("Total Payment Amount").
- Also pursuant to the Consent Decree, the Funding Parties have agreed to deposit the Total Payment Amount into an escrow account, the funds to be held therein for distribution at the direction of the United States Environmental Protection Agency ("EPA").
- E. The Bank has agreed to serve as depositary for such escrow account and to accept appointment as escrow agent.
- F. The Funding Parties and the Bank have agreed as set forth below concerning the establishment and operation of such escrow account.

AGREEMENT

- 1. Establishment of Escrow Account. The Bank is hereby appointed as the Escrow Agent for the Funding Parties and is designated the depositary for the Total Payment Amount delivered by the Funding Parties pursuant to the Consent Decree. The Bank shall establish the "Hylebos Waterway Problem Areas Escrow Account" ("Escrow Account"), into which shall be deposited the Total Payment Amount delivered by the Funding Parties.
- 2. Purpose. The exclusive purposes of the Escrow Account are to (a) receive payments of the Total Payment Amount from the Funding Parties and the Settling Federal Agencies, as provided in Paragraph 5 of the Consent Decree; (b) earn interest thereon; and (c)provide funds to pay response costs incurred by the EPA and other authorized parties for actions taken or to be taken in connection with the Hylebo's Waterway Problem Areas. The



Funding Parties intend to irrevocably transfer and relinquish control and possession of the Total Payment Amount so as to qualify the Escrow Account as a "qualified settlement fund" pursuant to Internal Revenue Code Section 468B and the regulations promulgated pursuant thereto.

- **Delivery of Funds.** In accordance with the payment provisions of the Consent 3. Decree, the Funding Parties shall absolutely and irrevocably deliver to the Bank the Total Payment Amount required to be provided pursuant to the Consent Decree. The Bank shall provide the EPA with written notice of each deposit, including the identity of the Funding Party making the deposit and the amount thereof.
- Investment of Escrow Account. The funds held in the Escrow Account shall be invested in such instruments that will generate non-taxable interest on the funds. The Bank and the Funding Parties agree that funds held in the Escrow Account shall be invested in the Victory Tax-Free Money Market Fund, an instrument which the Bank and Funding Parties agree is consistent with this Agreement. To the greatest degree feasible, the investment instruments shall (a) provide such liquidity as will permit immediate distribution of the funds upon EPA notice and approval of any disbursement; (b) provide a guaranteed rate of return sufficient to cover all expenses and fees of the Escrow Account without reduction of principal; and (c) protect against loss of the principal of the Total Payment Amount deposited in the Escrow Account.
- Interest on Funds. Interest on the funds deposited shall accrue and be added to 5. the principal amount to be distributed in accordance with the provisions of the Consent Decree and this Agreement.
- **Distribution of Funds**. If the United States and parties performing the remedial action for the Hylebos Waterway Problem Areas sign a consent decree (hereinafter "RD/RA consent decree"), and that RD/RA consent decree is entered by the United States District Court, the funds in the Escrow Account shall be disbursed to EPA and/or such performing parties in accordance with directions set forth in the RD/RA consent decree. The EPA, in its sole discretion, shall determine whether the conditions for distribution of the Escrow Account proceeds for performance of response actions have been met. The EPA shall provide notice to the Bank as to the distribution of the funds in the Escrow Account pursuant to such form as the EPA and the Bank shall agree. The Funding Parties and Bank acknowledge and agree that the Bank shall make an initial distribution to the EPA Hylebos Waterway Problem Areas Special Account, in conformance with Paragraph 7.d. of the Consent Decree and to the address provided in Paragraph 10.b. of the Consent Decree, in the amount of \$434,733.00, when deposits to the Escrow Account equal or exceed such amount after payment of applicable fees.
- Protection from Third Party Claims. The Bank and the Funding Parties shall take all reasonable steps to safeguard the Escrow Account from any competing claims from third-parties, including any creditors of the Funding Parties.
- 8. **Termination of Escrow Account.** As set forth in Paragraph 7.d. of the Consent Decree, the Escrow Account shall terminate upon the earlier of (a) eighteen (18) months from the Effective Date of the Consent Decree; or (b) distribution of the entire contents of the Escrow Account in accordance with Paragraph 6. above. In the event (a) applies, the Bank shall distribute all remaining funds, including accrued interest to EPA Hylebos Waterway Problem Areas Special Account.

- Fees to Bank. The fees to be paid to the Bank for the services provided 9. hereunder shall be reasonable and calculated as set forth on the Bank's standard schedule of service charges now in force or hereafter amended in the ordinary course of business. The Bank will provide such schedule to any of the Funding Parties upon request. Any fee paid to the Bank shall be deducted from the return generated by the investment of the Total Payment Amount. In no event shall principal be used to pay fees.
- 10. Statements of Account. Account statements shall be rendered by the Bank to the Funding Parties and the EPA once monthly, and shall show deposits, disbursements, and balances, and the dates thereof. Upon full distribution of the Escrow Account the Bank shall prepare a final accounting and provide such accounting to the Funding Parties and EPA at the addresses shown below.
- 11. No Bank Responsibility for Consent Decree. It is understood and agreed that the Bank shall not be liable or responsible to ascertain the terms or conditions of any provision of the aforementioned Consent Decree between the Funding Parties and the EPA. It is further understood and agreed that if any controversy arises between the EPA and the Funding Parties, or with any other party with respect to the subject matter of this Agreement, the Bank is authorized, unless precluded by order of a court of competent jurisdiction, to disburse monies to, or upon the authorization of, the EPA in accordance with the terms of this Agreement.
- Notices. All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally, given by prepaid telegram, or mailed by first-class (postage pre-paid), registered, or certified mail, as follows:

Funding Parties

To the Addresses listed with the signatures below

The EPA

Environmental Protection Agency

1200 Sixth Ave. Seattle, WA 98101

Attn: Lori Houck Cora, Assistant Regional Counsel

The Bank

Linda J. Hayes, Relationship Manager

KeyBank National Association

1101 Pacific Ave. Tacoma, WA 98402

- 13. Title to Escrow Account. Nothing in this Agreement shall be considered as vesting title in the Bank to the amount deposited in the Escrow Account, except as Escrow Agent for the Funding Parties for the purposes set forth herein.
- Effective Date. This Agreement shall take effect upon the initial deposit of funds into the Escrow Account by any individual Funding Party and shall continue in full force until the funds have been fully disbursed.
- 15. Modification. This Agreement may not be amended, except by written modification signed by the parties hereto.